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PROVIDER BULLETIN

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THIS ISSUE

The Pharmacy On-Line Point-of-Service Billing System

TO:

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[http://www.LNI.wa.gov/hsa/ProvBulletin
s/PbAmaAgree.htm](http://www.LNI.wa.gov/hsa/ProvBulletin/s/PbAmaAgree.htm)

Purpose

This bulletin describes changes to the pharmacy on-line point-of-service (POS) system. It contains new technical specifications for the system. It also provides information on how pharmacies can receive electronic remittance advices. This bulletin supersedes Provider Bulletin 99-06.

Why is the department changing the POS system?

The department made a formal business decision to comply with the provisions of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 to the greatest extent possible. Although exempt from HIPAA requirements, the department is currently implementing the transaction standards mandated by the Centers for Medicare and Medicaid Services (CMS) under HIPAA to be as consistent with other payers and the provider community.

What is new about the department's POS system?

Effective November 17, 2003, the POS system will begin accepting the HIPAA compliant 5.1 version of the National Council for Prescription Drug Programs' (NCPDP) electronic billing format.

What are the specific billing requirements for the NCPDP 5.1 format?

Please refer to the Appendix of this bulletin, NCPDP 5.1 Payer Sheet for the Washington State Fund, for the specific requirements.

What if my pharmacy is not capable of using the 5.1 version yet?

The department will continue to support the NCPDP 3B format.

Do pharmacies have to use the on-line POS system?

No. Pharmacies may submit their bills through hard copy billing or electronically using L&I's approved formats. ALL BILLS WILL BE PROCESSED AND EDITED THROUGH THE POS SYSTEM regardless of how they are submitted.

Do pharmacies need a separate agreement with L&I to use POS?

No. A separate agreement with L&I is not required to use POS but pharmacies do need to have a current L&I provider account number and a current NCPDP number (formerly NABP number).

What are the hours of operation for the POS system?

The system operates Monday through Saturday from 6:00 AM to Midnight, and Sunday from 6:00 AM to 10:00 PM (Pacific time).

Which bills can pharmacies submit through L&I's POS system?

Pharmacies may submit bills for prescriptions for all open and allowed State Fund claims (including claims for bankrupt self-insured employers). POS will finalize these bills as either paid or denied. Pharmacies can also submit bills for workers who pay for their prescriptions when their claims have not been initiated or allowed yet. The department will capture these bills and reimburse the workers if and when the claims are allowed and the drugs are authorized.

Pharmacies may not bill the following through POS:

- Bills for the Crime Victims' Compensation Program
- Bills for self-insurers' claims
- Compound drugs
- Medical supplies and durable medical equipment

How long do I have to submit a bill?

You must submit a bill within one year of the date of service for it to be considered for payment.

What prospective drug utilization review (Pro-DUR) and other administrative edits does the POS system use?

The department is currently using Pro-DUR edits for potential high dose, therapeutic duplication and Level 1 drug-to-drug interactions. It also is using an edit for refills-too-soon. For more information on the Pro-DUR and refill-too-soon edits, please see Provider Bulletin 03-07, *Implementation of the Prospective Drug Utilization Review Program*. The bulletin may be found at the department's web site: <http://www.lni.wa.gov/hsa/ProvBulletins/PbAmaAgree.htm>

Who do I call if I have technical problems?

Normally, you will call your software or switch vendor first. If you do need technical assistance from the department, please call the Provider Hotline (PHL) at 1-800-848-0811.

Since the department is requiring the prescriber's L&I provider number, where can I get a current list?

You can obtain a list of prescribers and their L&I provider account numbers by contacting Tom Davis in Health Services Analysis at (360) 902-6687, or e-mail: dato235@lni.wa.gov. The list can be sent as an attachment to e-mail or mailed as a compressed file on a 3.5" disk.

Will pharmacies be able to receive electronic remittance advices?

Yes. Pharmacies using the NCPDP 5.1 format may also choose to receive their remittance advices in the HIPAA compliant ASC X12N 835 format. These transactions will be available on the Provider Express Billing (PEB) website. For information regarding the use of PEB and receiving these transactions, please contact the Electronic Billing Unit at (360) 902-6511 or email: ebulni@lni.wa.gov. Copies of a Companion Guide for the 835 Remittance Advice for prescription bills are available upon request.

Where can I find additional information about the department's rules for prescription drugs?

WAC 296-20-030	Treatment not requiring authorization for accepted conditions.
WAC 296-20-03001	Treatment requiring authorization.
WAC 296-20-03002	Treatment not authorized.
WAC 296-20-03004	Chemonucleolysis.
WAC 296-20-03005	Inoculation or immunological treatment for exposure to infectious occupational disease.
WAC 296-20-03010	What are the general principles the department uses to determine coverage on drugs and medications?
WAC 296-20-03011	What general limitations are in place for medications?
WAC 296-20-03012	Where can I find the department's outpatient drug and medication coverage decisions?
WAC 296-20-03013	Will the department or self-insurer pay for a denied outpatient drug in special circumstances?
WAC 296-20-03014	Which drugs have specific limitations?
WAC 296-20-03015	What steps may the department or self-insurer take when concerned about the amount or appropriateness of drugs and medications prescribed to the injured worker?
WAC 296-20-03016	Is detoxification and/or chemical dependency treatment covered?
WAC 296-20-03017	What information is needed for prescriptions and the physician's record?
WAC 296-20-03018	What inpatient drugs are covered?
WAC 296-20-03019	Under what conditions will the department or self-insurer pay for oral opioid treatment for chronic, noncancer pain?
WAC 296-20-03020	What are the authorization requirements for treatment of chronic, noncancer pain with opioids?
WAC 296-20-03021	What documentation is required to be submitted for continued coverage of opioids to treat chronic, noncancer pain?
WAC 296-20-03022	How long will the department or self-insurer continue to pay for opioids to treat chronic, noncancer pain?
WAC 296-20-03023	When may the department or self-insurer deny payment of opioid medications used to treat chronic, noncancer pain?
WAC 296-20-03024	Will the department or self-insurer pay for nonopioid medications for the treatment of chronic, noncancer pain?
WAC 296-20-125	Billing procedures
WAC 296-20-170	Pharmacy—Acceptance of rules and fees
WAC 296-20-17001	Allowance and payment for medication
WAC 296-20-17002	Billing

*Medical Aid Rules and Fee Schedules – Appendix G: Outpatient Drug Formulary
Provider Bulletin 03-07, Implementation of the Prospective Drug Utilization Review Program.*

APPENDIX

State of Washington DEPARTMENT OF LABOR AND INDUSTRIES

NCPDP Payer Sheet for the State Fund Version 5.1 (Variable Format)

Transaction Header Segment - Required			
Field Name	Data Element Number	Required Status	Valid Values/Comments
BIN NUMBER	101-A1	Required	610566 [L&I Bin#]
VERSION/RELEASE NUMBER	102-A2	Required	51 [NCPDP 5.1]
TRANSACTION CODE	103-A3	Required	Valid Values: B1, Billing B2, Reversal (Only transactions L&I currently accepts)
PROCESSOR CONTROL NUMBER	104-A4	Required	Blank
TRANSACTION COUNT	109-A9	Required	Valid Values: 1, 2, 3, 4. Enter the number of bills submitted for individual claim number.
SERVICE PROVIDER ID QUALIFIER	202-B2	Required	07 [NCPDP Provider ID]
SERVICE PROVIDER ID	202-B1	Required	Enter the Pharmacy NCPDP Number.
DATE OF SERVICE	401-D1	Required	Date dispensed. Format: CCYYMMDD
SOFTWARE VENDOR/CERTIFICATION ID	110-AK	Required	Blank

Patient Segment - Not Used			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used.	

Insurance Segment - Required			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Required	Valid Value: 04 [Insurance]
CARDHOLDER ID	302-C2	Required	Enter 7-digit Claim ID Number
CARDHOLDER FIRST NAME	312-CC	Optional	
CARDHOLDER LAST NAME	313-CD	Required	
HOME PLAN	314-CE	Not used	
PLAN ID	524-FO	Not used	

ELIGIBILITY CLARIFICATION CODE	309-C9	Not used	
FACILITY ID	336-8C	Not used	
GROUP ID	301-C1	Not used	
PERSON CODE	303-C3	Not used	
PATIENT RELATIONSHIP CODE	306-C6	Not used	

Claim Segment - Required			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Required	Valid Value: 07 [Claim]
PRESCRIPTION/SERVICE REFERENCE NUMBER QUALIFIER	455-EM	Required	Valid Value: 1 [Rx Billing]
PRESCRIPTION/SERVICE REFERENCE NUMBER	402-D2	Required	
PRODUCT/SERVICE ID QUALIFIER	436-E1	Required	Valid Value: 03 [NDC]
PRODUCT/SERVICE ID	407-D7	Required	NDC Number
ASSOCIATED PRESCRIPTION/SERVICE REFERENCE#	456-EN	Not used	
ASSOCIATED PRESCRIPTION/SERVICE DATE	457-EP	Not used	
PROCEDURE MODIFIER CODE COUNT	458-SE	Not used	
PROCEDURE MODIFIER CODE	459-ER	Not used	
QUANTITY DISPENSED	442-E7	Required	Enter fractional units as appropriate. Format: 9999999.999
FILL NUMBER	403-D3	Optional	Valid values: 00 - original dispensing 01 - 99 Refill Number
DAYS SUPPLY	405-D5	Required	Calculate days' supply based on maximum possible utilization from the prescriber's instructions.
COMPOUND CODE	406-D6	Not used	
DISPENSE AS WRITTEN(DAW)/PRODUCT SELECTION CODE	408-D8	Conditional	Valid Values: Ø=No Product Selection Indicated 1=Substitution Not Allowed by Prescriber
DATE PRESCRIPTION WRITTEN	414-DE	Required	
NUMBER OF REFILLS AUTHORIZED	415-DF	Required	
PRESCRIPTION ORIGIN CODE	419-DJ	Not used	

SUBMISSION CLARIFICATION CODE	420-DK	Conditional	Use for Reject Code 79 - Refill Too Soon. Valid Values: 3=Vacation Supply 4=Lost Prescription 5=Therapy Change 6=Starter Dose 7=Medically Necessary
QUANTITY PRESCRIBED	460-ET	Not used	
OTHER COVERAGE CODE	308-C8	Not used	
UNIT DOSE INDICATOR	429-DT	Not used	
ORIG PRESCRIBED PRODUCT/SERVICE ID QUALIFIER	453-EJ	Not used	
ORIG PRESCRIBED PRODUCT/SERVICE CODE	445-EA	Not used	
ORIG PRESCRIBED QUANTITY	446-EB	Not used	
ALTERNATE ID	330-CW	Not used	
SCHEDULED PRESCRIPTION ID NUMBER	454-EK	Not used	
UNIT OF MEASURE	600-28	Not used	
LEVEL OF SERVICE	418-DI	Not used	
PRIOR AUTHORIZATION TYPE CODE	461-EU	Not used	
PRIOR AUTHORIZATION NUMBER SUBMITTED	462-EV	Not used	
INTERMEDIARY AUTHORIZATION TYPE ID	463-EW	Not used	
INTERMEDIARY AUTHORIZATION ID	464-EX	Not used	
DISPENSING STATUS	343-HD	Not used	
QUANTITY INTENDED TO BE DISPENSED	344-HF	Not used	
DAYS SUPPLY INTENDED TO BE DISPENSED	345-HG	Not used	

Pharmacy Provider Segment - Not Used			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	

Prescriber Segment - Required			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Required	Valid Value: 03 [Prescriber]
PRESCRIBER ID QUALIFIER	466-EZ	Required	Valid Value: 13 [State Issued]
PRESCRIBER ID	411-DB	Required	Enter the 7-digit Prescriber's L&I Provider ID Number
PRESCRIBER LOCATION CODE	467-1E	Not used	
PRESCRIBER LAST NAME	427-DR	Not used	
PRESCRIBER PHONE NUMBER	498-PM	Not used	
PRIMARY CARE PROVIDER ID QUALIFIER	468-2E	Not used	
PRMARY CARE PROVIDER ID	421-DL	Not used	
PRIMARY CARE PROVIDER LOCATION CODE	469-H5	Not used	
PRIMARY CARE PROVIDER LAST NAME	470-4E	Not used	

COB/Other Payments Segment - Not Used			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	

Workers' Compensation Segment - Not Used			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	

DUR/PPS Segment - Optional			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Required	Valid Value: 08 [DUR/PPS]
DUR/PPS CODE COUNTER	473-7E	Conditional	

REASON FOR SERVICE CODE	439-E4	Conditional	Valid Values: DD=Drug-Drug Interaction HD=High Dose TD=Therapeutic Duplication
PROFESSIONAL SERVICE CODE	440-E5	Conditional	Valid Values: MØ=Prescriber consulted PØ=Patient consulted RØ=Pharmacist consulted other source
RESULT OF SERVICE CODE	441-E6	Conditional	Valid Values: 1A=Filled As Is, False Positive 1B=Filled Prescription As Is 1C=Filled, With Different Dose 1D=Filled, With Different Directions 1F=Filled, With Different Quantity 1G=Filled, With Prescriber Approval
DUR/PPS LEVEL OF EFFORT	474-8E	Not used	
DUR CO-AGENT ID QUALIFIER	475-J9	Not used	
DUR CO-AGENT ID	476-H6	Not used	

Pricing Segment - Required			
Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Required	Valid Value: 11 [Pricing]
INGREDIENT COST SUBMITTED	409-D9	Not used	
DISPENSING FEE SUBMITTED	412-DC	Not used	
PROFESSIONAL SERVICE FEE SUBMITTED	477-BE	Not used	
PATIENT PAID AMOUNT SUBMITTED	433-DX	Conditional	When the claim is rejected with Reject codes 52 or 67, enter the amount the injured worker paid, not to exceed the maximum allowable. Resubmit the claim. L&I will capture the claim and reimburse the worker if and when the L&I claim is allowed.
INCENTIVE AMOUNT SUBMITTED	438-E3	Not used	
OTHER AMOUNT CLAIMED SUBMITTED COUNT	478-H7	Not used	
OTHER AMOUNT CLAIMED SUBMITTED QUALIFIER	479-H8	Not used	
OTHER AMOUNT CLAIMED SUBMITTED	480-H9	Not used	
FLAT SALES TAX AMOUNT SUBMITTED	481-HA	Not used	

PERCENTAGE SALES TAX AMOUNT SUBMITTED	482-GE	Not used	
PERCENTAGE SALES TAX RATE SUBMITTED	483-HE	Not used	
PERCENTAGE SALES TAX BASIS SUBMITTED	484-JE	Not used	
USUAL AND CUSTOMARY CHARGE	426-DQ	Not used	
GROSS AMOUNT DUE	430-DU	Required	Enter the total of the drug cost and professional fee.
BASIS OF COST DETERMINATION	423-DN	Not used	

Coupon Segment - Not Used

Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	

Compound Segment - Not Used

Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	

Prior Authorization Segment - Not Used

Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	

Clinical Segment - Not Used

Field Name	Data Element Number	Required Status	Valid Values/Comments
SEGMENT IDENTIFICATION	111-AM	Not used	